

# 19.1507 Limitations on subcontracting and nonmanufacturer rule.

(a) *Limitations on subcontracting.* To be awarded a contract or order under the WOSB Program, the contractor is required to perform—

(1) For services (except construction), at least 50 percent of the cost incurred for personnel with its own employees;

(2) For supplies or products (other than a procurement from a nonmanufacturer of such supplies or products), at least 50 percent of the cost of manufacturing the supplies or products (not including the cost of materials);

(3) For general construction, at least 15 percent of the cost with its own employees (not including the cost of materials); or

(4) For construction by special trade contractors, at least 25 percent of the cost with its own employees (not including the cost of materials).

(b) *Compliance period.* An EDWOSB or WOSB contractor is required to comply with the limitation on subcontracting—

(1) For a contract that has been set aside or awarded on a sole source basis, either by the end of the base term and then by the end of each subsequent option period or by the end of the performance period for each order issued under the contract, at the contracting officer's discretion; and

(2) For an order set aside as described in [8.405-5](#) and [16.505\(b\)\(2\)\(i\)\(F\)](#) or for an order issued directly to an EDWOSB or WOSB contractor in accordance with [19.504\(c\)\(1\)\(ii\)](#), by the end of the performance period for the order.

(c) *Nonmanufacturer rule.* See [19.505\(c\)](#) for application of the nonmanufacturer rule, inclusive of waivers and exceptions to the nonmanufacturer rule.

**Parent topic:** [Subpart 19.15 - Women-Owned Small Business Program.](#)